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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001724

SIPDIS

DEPARTMENT FOR EUR(JONES), EUR/SCE(HYLAND/FOOKS/STINCHOMB);
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SUBJECT: BOSNIA - SCENESETTER FOR NOVEMBER 19-20 PEACE
IMPLEMENTATION COUNCIL

REF: A. STATE 113894

[1](#)B. SARAJEVO 1598

Classified By: Ambassador Charles English. Reasons 1.4(b) and (d).

[1](#)1. (C) SUMMARY: The Peace Implementation Council (PIC) will meet in Brussels on November 19-20 against the backdrop of continued political deterioration in Bosnia. The major parties continue to focus on their narrow ethnic agenda, not the reforms required for Euro-Atlantic integration. Republika Srpska (RS) PM Milorad Dodik's almost two-year long campaign to de-legitimize and undermine the state has intensified, and Bosniak member of the Tri-Presidency Haris Silajdzic's anti-RS rhetoric has deepened the ethnic divide and played into Dodik's hands. As consequences, reforms, including the PIC's five-plus-two agenda, are stalled. Nonetheless, High Representative Lajcak wants the PIC to begin discussing the transition from OHR to EUSR, including his proposal to provide the EUSR with residual Bonn Powers, something we think unwise. We will need to return the focus to five-plus-two agenda where the prospects for a meaningful compromise on state and immovable defense property and Brcko objectives looks particularly bleak. We need to use the PIC to increase the pressure on Bosnian political leaders to resolve these issues and get the broader Euro-Atlantic reform process moving again. In this context, we should deliver firm, clear message to them about concerns, the problems they are causing, and our expectations. Finally, we should use the PIC to underscore our policy on constitutional reform (Ref A). END SUMMARY

Bosnia: Where We Are

[1](#)2. (C) Bosnia is moving disturbingly in the wrong direction. The major parties are focused on narrow ethnic agendas, not reforms required for Euro-Atlantic integration. We have witnessed a sharp and dangerous rise in nationalist rhetoric designed to play on people's fears, to focus them on the past, and to stir up anger and resentment. We have seen state-level institutions, which are required for the country to make further progress towards NATO and the EU, attacked and undermined. And finally, we have witnessed disturbing attempts to roll back the successful reforms of the last thirteen years, the very reforms that led the EU and NATO to open its doors to Bosnia. In short, the PIC is not in a position to credibly conclude that its second condition for closure -- "a positive assessment of the situation in Bosnia" -- has been met.

Dodik's Destructive Agenda

13. (C) Our biggest problem remains RS PM Dodik, who now regularly speculates about Bosnia's dissolution and has intensified his efforts to de-legitimize and undermine the Bosnian state. We share Washington's assessment that Dodik's aim appears to be either: a) to restore to the RS the level of autonomy it enjoyed at the end of the 1992-1995 war, which would ultimately result in the collapse of the state; or, b) to lay the groundwork for RS independence (Ref A). Dodik has continued to attack the authority of the Office of the High Representative (OHR), called for OHR's immediate closure, and publicly challenged the authority and legitimacy of the PIC. Although Dodik continues to profess a desire for a future in the EU and NATO, Dodik has refused to heed repeated warnings, both public and private, that there will be consequences for him and the RS if his statements and actions aimed at undermining the state continue.

Silajdzic the Enabler

14. (C) Dodik and his actions represent the most serious challenge to Bosnia's sovereignty and territorial integrity, but they are not our only problem. Bosniak leader Haris Silajdzic's intemperate statements, including his references to the RS in international fora (i.e., UNGA, Council of Europe) as a genocidal creation and his calls for the abolition of the RS, have deepened the ethnic divide and played into Dodik's hands. Silajdzic suffered a rebuke from Bosniak voters in the October 5 municipal elections. This has created an opportunity for Party for Democratic Action

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(SDA) leader Sulejman Tihic to lead Bosniak politics in more constructive directions, which he is trying to do (for example, by acknowledging the RS as part of Dayton during the October 13-15 special session of the RS National Assembly). Unfortunately, Dodik has publicly dismissed Tihic's efforts.

5-Plus-2 is Stalled

15. (C) In this climate, reforms needed for Euro-Atlantic integration and progress on the PIC's 5-plus-2 agenda have largely stalled. Though Lajcak is likely to propose communique language that glosses over many of these problems, the fact is that the National War Crimes Strategy is mired in bureaucratic tussles, immovable defense property transfer agreement is not yet drafted, Dodik and Silajdzic remain hopelessly divided over state property, and Dodik is blocking meaningful implementation of the Brcko objective. Accomplishing these objectives, particularly the state and defense property and Brcko objectives was never going to be easy, but Lajcak's inaction, and we strongly suspect, private signals to some key players that he is willing to accept less than full implementation of the objectives have contribute to our current problems.

16. (C) We have consistently maintained that the objectives must be implemented in manner consistent with our overall goal of entrenching reform and ensuring that Bosnia is able to meet its Euro-Atlantic commitments. We should continue to do so because if OHR closes without completing the objectives, the international community's credibility and the EUSR's legitimacy would suffer. U.S. credibility is also uniquely bound up in outcome on the Brcko objective. On both state property and Brcko the HighRep will be looking for the PIC to endorse OHR's strategies for resolving them (Ref B). We should support strong communique language, since it could help generate needed political leverage with the parties, but in our meeting with the HighRep prior to the PIC we must also emphasize that we expect him to be more pro-active on objective implementation.

An Untimely Transition Conversation

17. (C) Lajcak remains eager for the transition from OHR to EUSR even though the lack of progress on five-plus-two makes transition in the near-term unlikely. None of the Steering Board Ambassadors has signaled that their capital expects a decision on transition at this PIC. Even the Russians have not raised the issue. Nonetheless, Lajcak is eager for the PIC to discuss the transition, particularly what tools the EUSR may have to carry out his mandate. He believes that EUSR should retain residual Bonn Powers. He argues that this would provide a powerful deterrent to the Serbs while at the same time reassuring the Bosniaks. Many in the EU, including Solana and Rehn, are skeptical. So are we. We rejected a similar Schwarz-Schilling proposal in 2007. At that time, we stressed that if the PIC judged the Bonn Powers were still necessary, it should decide to keep OHR open. The same logic applies now, and we should signal this at the PIC.

Message for the Party Leaders: Get Your Acts Together

18. (C) The leaders of the six parties in coalition at state-level (including Dodik and Silajdzic), state-level PM Spiric, and Federation PM Brankovic will meet with the PIC. We should use this exchange to deliver firm, clear messages on our concerns about Bosnia's direction, the political leadership's responsibility for the country's current predicament, and our expectations about what they must do to get Bosnia back on the right track. We should underscore our concern about statements and actions designed to undermine the state, including Dodik's and Silajdzic's destructive rhetoric. We should stress our expectation that parties implement fully OHR's 5-plus-2 agenda, but also that we will not agree to keep OHR open if Bosniaks refuse to engage constructively on it, particularly state property.

Constitutional Reform: Not Now

19. (C) Undoubtedly, many of the party leaders will raise the

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issue of constitutional reform. We have been underscoring Washington's guidance on this issue with party leaders (Ref A), but we should use the PIC as well to deliver our constitutional reform message. First, political leaders must demonstrate that they can achieve consensus on critical, but less controversial issues, before we will engage on constitutional reform, including the provision of experts to constitutional reform talks (i.e., 5-plus-2 comes first). Second, we are not prepared to engage in a constitutional reform process that focuses on changes to Bosnia's internal boundaries (i.e., abolishing or creating new entities). Third, we will back only incremental, step-by-step constitutional reforms targeted at advancing Bosnia's Euro-Atlantic accession prospects.
ENGLISH